


FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

JUN 05 2002

 JAMES R. LARSEN, CLERK
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SPOKANE, WASHINGTON

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19 UNITED STATES DISTRICT COURT
20 EASTERN DISTRICT OF WASHINGTON
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22 ITRON, INC., a Delaware corporation,
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25 Plaintiff,
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27 v.
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29 ITRAN COMMUNICATIONS LTD., a
30 Delaware corporation,
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33 Defendant.
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CS-02-0200-RHW
COMPLAINT FOR TRADEMARK
INFRINGEMENT AND DILUTION
AND UNFAIR COMPETITION

38 For its Complaint, Plaintiff Itron, Inc. ("Itron") alleges as follows:
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41 I. PARTIES
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43 1. Itron is a Washington corporation with its headquarters and
44 principal place of business in Spokane. Founded in 1979, Itron is the leading
45 global solutions provider for collecting, analyzing, and applying electric, gas, and
46
47

COMPLAINT - 1

[10145-7001/SL020670.065]

PERKINS COIE LLP
221 North Wall Street, Suite 600
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1 water usage data in the United States and internationally, serving more than
2 2,000 clients worldwide.
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5 2. Defendant Itran Communications Ltd. ("Itran") is a Delaware
6 corporation with its principal place of business in Naples, Florida. Itran designs,
7 develops, markets, and sells mixed-signal integrated circuits for home
8 networking and other applications.
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13 II. JURISDICTION AND VENUE

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15 3. This Court has subject matter jurisdiction over the Lanham Act
16 claims pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1332, and 1338. In
17 addition, this Court has supplemental jurisdiction over the state law claims
18 pursuant to 28 U.S.C. § 1367(a) because those claims are so related to the
19 federal claims as to form part of the same case or controversy.
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25 4. This Court has personal jurisdiction over Itran. Itran continuously
26 and systematically conducts business in and avails itself of the protection and
27 benefits of the laws of the state of Washington. Itran also knew or reasonably
28 should have known that its conduct alleged in this Complaint would cause injury
29 to Itron in Washington.
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35 5. Venue is proper under 28 U.S.C. § 1391 in that the claims arose in
36 this District, Itron is suffering irreparable harm in this District, and Itran is
37 subject to personal jurisdiction in this District.
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III. FACTUAL BACKGROUND

A. Itron, Its Business and Its Marks

6. Itron is the owner of numerous incontestable United States trademark registrations and applications for the ITRON[®] marks. All of the ITRON[®] trademark registrations are in full force and effect and are owned by Itron. Exhibit 1 lists these registrations and applications, and is hereby incorporated into this Complaint. In addition, Itron holds registrations for the ITRON mark in over 40 foreign countries.

7. Through continued use of the ITRON[®] mark since at least as early as 1979, Itron has built significant and substantial goodwill in the ITRON[®] mark in the energy and water marketplace. Itron markets many products under the ITRON[®] mark, including software, microchips, computers, computer peripherals, hardware, communications devices, handheld devices, and wireless devices for the collection, management, and dissemination of data. Itron's technology and communications solutions enable the collection and management of data and information to maximize business operations, efficiency, and output.

8. For example, Itron provides networking services to allow utilities to collect data from meters and transport the data over a wide-area communications network to central host processors. Utility data collection – including hardware and software products and related services – is a major and long-standing component of Itron's business.

9. Itron's products and services target a broad spectrum of industries and personnel in the energy and water marketplace. Itron markets products and

1 services under the ITRON[®] mark to energy and water suppliers, deliverers,
2 service-providers and consumers, among others. Within these industries, Itron
3 targets personnel ranging from chief executive officers and chief technology
4 officers to product managers in operations departments.
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9 10. As an arbitrary and well-recognized mark, with use dating back
10 more than 20 years and with registrations dating back more than 12 years, the
11 ITRON[®] mark is extremely strong in the energy and water marketplace.
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15 11. Itron has expended considerable advertising and marketing
16 resources to build strong name recognition in the ITRON[®] mark. In 2001, Itron
17 spent more than \$26 million to sell and market goods and services offered under
18 the ITRON[®] mark. Gross sales from goods and services sold under the ITRON[®]
19 mark for 2001 totaled more than \$183 million. More than 2,000 customers in 45
20 countries use Itron's hardware and software systems to collect, analyze, and
21 apply data from more than 250 million utility meters. Itron's customers include
22 more than 75% of the largest electric and gas utilities in the United States and
23 Canada, and its technology touches more than \$200 billion in energy and water
24 transactions every year in North America alone.
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35 12. Itron's first use of the ITRON[®] mark in commerce in the United
36 States predates Itron's common law use of the ITRAN mark by decades, and
37 Itron has used the ITRON[®] mark in commerce without interruption since its
38 inception.
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B. Itran's Infringing Activity

13. On information and belief, Itran's original and principal business activity involves the design, development, and marketing of systems-on-chip for residential networking, automation, and device control applications. These goods and services are marketed and sold under Itran's ITRAN mark and variations on its IT mark (e.g. IT800). In February 2000, for example, Itran entered into a strategic alliance with Washington-based Microsoft Corporation to create wireless solutions for the home. With Microsoft, Itran has worked to establish a simple control protocol to ensure convergence between existing and future home-control standards. Itran and Microsoft have issued joint press releases from Washington touting the alliance's efforts to enable a "connected" home, and the two companies' relationship is ongoing. Itran has also exhibited its products and services, marketed under the ITRAN mark, at home networking conferences, including the May 2001 "Connections 2001" conference in Seattle, Washington.

14. Itran maintains a website at <http://www.itrancomm.com> from which it markets and sells products and services under its ITRAN mark. This website is accessible to Washington residents. On information and belief, Itran has sold products to Washington residents under its ITRAN mark.

15. Recently, Itran began marketing products and services under the ITRAN mark to Itron's customers – the energy and water marketplace. Itran's website prominently promotes and advertises the power utility applications, including data collection, of its products and services. On information and

1 belief, Itran's products and services, marketed under its ITRAN mark, are
2 currently being used in the energy and water marketplace.
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5 16. Itran displayed and advertised its products and services at
6 "DistribuTech 2002," the utility industry's largest relevant trade conference,
7 which occurred February 27 through March 1, 2002. On information and belief,
8 Itran solicited business under the ITRAN mark from Washington companies that
9 attended this conference.
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12 17. On information and belief, Itran is marketing its products and
13 services to Itron's current and prospective customers in the energy and water
14 marketplace using its ITRAN mark.
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21 **FIRST CAUSE OF ACTION:**
22 **Violations of 15 U.S.C. §§ 1114 and 1125(a)**
23 **(Trademark Infringement)**
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26 18. Itron realleges and incorporates herein by reference the allegations
27 contained in paragraphs 1 through 17 above.
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30 19. Itron owns numerous federal registrations that incorporate its
31 ITRON® mark. (See Exhibit 1.) These registrations are in full force and effect
32 and are enforceable. Itron also owns common law rights in the ITRON® mark
33 that date back to 1979.
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36 20. Itran's actions constitute the use in interstate commerce of a false
37 designation of origin, false or misleading description of fact, or false or
38 misleading representations of fact that are likely to cause confusion or mistake,
39 or to deceive as to the affiliation, connection, or association of the goods and
40 services with Itron, or as to the origin, sponsorship, or approval of the goods and
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1 services provided by Itran in violation of Section 43(a) of the Lanham Act, 15
 2 U.S.C. § 1125(a).
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5 21. Itran's actions also constitute the use in interstate commerce of a
 6 reproduction, counterfeit, copy, or colorable imitation of a registered trademark
 7 of Itron in connection with the sale, offering for sale, distribution, or advertising
 8 of goods or services on or in connection with which such use is likely to cause
 9 confusion or mistake, or to deceive, in violation of Section 32 of the Lanham
 10 Act, 15 U.S.C. § 1114.
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13 22. Itran knew or should have known of Itron's rights, and Itran's false
 14 designation of origin has been knowing, willful and deliberate, making this an
 15 exceptional case within the meaning of 15 U.S.C. § 1117.
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18 23. Itron has been, and continues to be, damaged by such acts in a
 19 manner that cannot be fully measured or compensated in economic terms. Itran's
 20 acts have damaged, and threaten to continue damaging, Itron's reputation and
 21 goodwill.
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**SECOND CAUSE OF ACTION:
 Violations of 15 U.S.C. § 1125(c)
 (Dilution of Famous Trademark)**

24. Itron realleges and incorporates herein by reference the allegations contained in paragraphs 1 through 23 above.

25. The ITRON[®] mark is famous in the energy and water marketplace.

26. Itran's actions constitute the unauthorized, commercial use of a famous trademark of Itron, commencing after the mark became famous, which dilute the quality of Itron's mark by diminishing the capacity of the mark to

1 identify and distinguish Itron's goods and services, in violation of Section 43(c)
2 of the Lanham Act, 15 U.S.C. § 1125(c).
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5 27. Itron has been, and continues to be, damaged by such acts in a
6 manner that cannot be fully measured or compensated in economic terms.
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10 **THIRD CAUSE OF ACTION:**
11 **Common Law Trademark Infringement**
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13 28. Itron realleges and incorporates herein by reference the allegations
14 contained in paragraphs 1 through 27 above.
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16 29. The ITRON[®] mark is an enforceable trademark owned by Itron.
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18 30. Itran's marketing of its products and services in the energy and
19 water marketplace using the ITRAN mark is likely to misdirect and cause
20 confusion to customers, including current and prospective Itron customers.
21 Itran's marketing of products and services in the energy and water marketplace
22 using the ITRAN mark is also likely to confuse a significant number of
23 customers into believing that Itran or Itran's products or services are sponsored
24 by or are otherwise associated with Itron, or that the parties' products or services
25 come from a common source.
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28 31. Itran's knowing, willful, and deliberate use of the ITRAN mark in
29 the energy and water marketplace constitutes trademark infringement under the
30 common law of the state of Washington.
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33 32. Itron has been, and continues to be, damaged by such acts in a
34 manner that cannot be fully measured or compensated in economic terms. Itran's
35 acts have damaged, and threaten to continue damaging, Itron's reputation and
36 goodwill.
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**FOURTH CAUSE OF ACTION:
Violations of RCW 19.77.160
(Washington's Anti-Dilution Statute)**

33. Itron realleges and incorporates herein by reference the allegations contained in paragraphs 1 through 32 above.

34. Itran's actions constitute the unauthorized, commercial use of a famous trademark of Itron commencing after that mark became famous.

35. Itran's unauthorized use dilutes the quality of Itron's ITRON® mark by diminishing the capacity of the mark to identify and distinguish Itron's goods and services, in violation of RCW 19.77.160.

36. Itron has been, and continues to be, damaged by such acts in a manner that cannot be fully measured or compensated in economic terms.

**FIFTH CAUSE OF ACTION:
Violations of RCW 19.86.020
(Washington's Unfair Business Practices-
Consumer Protection Act)**

37. Itron realleges and incorporates herein by reference the allegations contained in paragraphs 1 through 36 above.

38. The foregoing acts of Itran constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of trade or commerce in violation of RCW 19.86.020.

39. Itran's conduct affected and was contrary to the public interest, tended to mislead a substantial portion of the public, and has injured Itron's business and property in the state of Washington.

1 40. Itron has been damaged, and Itran has been unjustly enriched, by
2 such acts in an amount to be proven at trial.
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5 **IV. JURY DEMAND**
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7 Itron demands a trial by jury of all issues so triable.
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10 **V. PRAYER FOR RELIEF**
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12 Wherefore, Itron seeks the following relief against Itran:
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14 A. Damages of at least \$75,000 in an exact amount to be proven at
15 trial;
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17 B. An order preliminarily and permanently enjoining Itran, its officers,
18 agents, servants, employees and all persons in concert or participation with it
19 from: (1) using the ITRAN mark, or any other marks or symbols that are
20 confusingly similar to marks owned by Itron, in connection with any goods and
21 services marketed, advertised or sold to the energy and water marketplace; and
22 (2) unfairly competing with Itron in any manner whatsoever;
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28 C. Prejudgment and post-judgment interest;
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30 D. Treble damages or treble profits, whichever is greater, pursuant to
31 15 U.S.C. § 1117, and as otherwise provided by law;
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34 E. Treble damages and attorneys' fees pursuant to RCW 19.86.090;
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37 F. Itron's costs and attorneys' fees pursuant to 15 U.S.C. § 1117, and
38 as otherwise provided by law; and
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1 G. For such other and further relief as this Court deems just and
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3 proper.
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5 DATED: June 5, 2002.
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8 **PERKINS COIE LLP**
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12 By:  _____

13 David J. Burman

14 William C. Rava

15 Mary P. Gaston

16 Attorneys for Itron, Inc.
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EXHIBIT 1

ITRON'S U.S. TRADEMARK APPLICATIONS AND REGISTRATIONS

Mark: ITRON
Reg. No.: 1,519,639
Reg. Date: January 10, 1989; Section 8/15 accepted
First Use: January 31, 1979
Class: 9
Goods: Data collection computer systems, namely, portable stationary terminals, printers, communications controllers, communications cradles, function-specific peripherals, computer operating programs, and computer application programs.

Mark: ITRON
Reg. No. 1,921,754
Reg. Date: September 26, 1995
First Use: August 1, 1980
Class: 9
Goods: Data collection communication network systems, comprised of combination encoder/transreceivers, portable, mobile, and stationary data collection transreceivers, and intelligent communication adapters.

Mark: ITRON
Reg. No. 1,534,229
Reg. Date: April 11, 1989
First Use: January 31, 1979; Section 8/15 accepted
Class: 16
Goods: Printed computer user manuals.

Mark: ITRON
Reg. No. 1,534,650; Section 8/15 accepted
Reg. Date: April 11, 1989
First Use: January 31, 1979
Class: 37
Goods: Repair and maintenance of computer hardware and software systems.

Mark: ITRON (STYLIZED)
Reg. No. 1,620,876
Reg. Date: November 6, 1990
First Use: November 30, 1979 anywhere; January 31, 1979 in commerce
Class: 9
Goods: Portable electronic utility meter reading and billing unit therefor.

Mark: ITRON (STYLIZED)
Reg. No. 1,610,462
Reg. Date: August 21, 1990
First Use: November 30, 1978 anywhere; January 31, 1979 in commerce
Class: 9
Goods: Data collection and control computer systems comprising, portable and stationary computer terminals, printers, communications controllers, communications cradles for transferring data from portable computer terminals to stationary computer terminals, computer peripherals, computer operating software, and computer software for use in data collection and control applications.

Mark: ITRON (AND DESIGN)

Serial No.: 76/130,560

Filing Date: September 18, 2001

Classes: 9 and 42

Goods/Services: (Class 9) Computer hardware; computer hardware, namely, discs tapes and wires, all for carrying data; drive apparatus for discs, tapes or wires, all for carrying data; computer hardware for data communications between computers; computer software for use by the utilities industry for automating the distribution of utility services to customers; computer software for use in data collection and control, communications and data exchange, electronic meter reading, off-site meter reading, keyed meter reading, and meter data recorders, all for use in the utilities industry; and computer software for billing customer accounts, for scheduling customer orders and for managing utility meters, all for use in the utilities industry; computer software, namely computer operating programs and computer software for application and database integration for use in the utilities industry.

(Class 42) Computer related services and consulting for the utility industries, namely computer-related consulting for electric, gas and water facilities management.